

HOUSE BILL No. 1638

DIGEST OF INTRODUCED BILL

Citations Affected: IC 8-1.5-2-26.

Synopsis: Municipal utility taxing authority. Provides that a municipality having a municipally owned utility may not tax property for purposes related to the utility unless the property is: (1) taxable property of the municipality; or (2) served by the municipally owned utility.

Effective: July 1, 2003.

Kuzman

January 16, 2003, read first time and referred to Committee on Ways and Means.

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First Regular Session 113th General Assembly (2003)

PRINTING CODE. Amendments: Whenever an existing statute (or a section of the Indiana Constitution) is being amended, the text of the existing provision will appear in this style type, additions will appear in **this style type**, and deletions will appear in ~~this style type~~.

Additions: Whenever a new statutory provision is being enacted (or a new constitutional provision adopted), the text of the new provision will appear in **this style type**. Also, the word **NEW** will appear in that style type in the introductory clause of each SECTION that adds a new provision to the Indiana Code or the Indiana Constitution.

Conflict reconciliation: Text in a statute in *this style type* or ~~this style type~~ reconciles conflicts between statutes enacted by the 2002 Regular or Special Session of the General Assembly.

HOUSE BILL No. 1638

A BILL FOR AN ACT to amend the Indiana Code concerning utilities and transportation.

Be it enacted by the General Assembly of the State of Indiana:

1 SECTION 1. IC 8-1.5-2-26 IS AMENDED TO READ AS
2 FOLLOWS [EFFECTIVE JULY 1, 2003]: Sec. 26. (a) To pay the
3 principal and interest on bonds issued for the construction, acquisition,
4 extension, or improvement of a municipally owned utility, the
5 municipal legislative body may levy an annual tax of sufficient amount
6 on all taxable property of the municipality.

7 (b) If the legislative body:

8 (1) has contracted with a person for supplying utility services or
9 has agreed to lease or purchase utility services; and

10 (2) has, in the contract, agreed to pay a stated rental, a stipulated
11 purchase price, or other compensation to the person, or has issued
12 bonds to pay for stock in the company or to purchase the plant;
13 it may levy an annual tax for payment of the rent or other consideration
14 or purchase price to be paid for utility services, or for the purchase
15 price of a plant, and to pay the principal and interest on the bonds.

16 (c) The tax under this section shall be levied and collected as other
17 municipal taxes are levied and collected, and the proceeds shall be



- 1 used only for the purpose for which the tax was levied.
2 **(d) The legislative body of a municipality may not levy a tax**
3 **under this chapter on property that is not:**
4 **(1) taxable property of the municipality; or**
5 **(2) served by a utility owned by the municipality.**

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